



3683 Willia Street  
Houston, Tx - 77007

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Houston Endowment is pleased to award your organization with a grant to further support your work and attached is the Houston Endowment Grant Agreement. Please reference the body of the DocuSign email for important payment information.

### **Grant Tax and Legal Considerations**

Before reviewing and signing the Grant Agreement on the following pages, we want to highlight to all prospective grantees some important tax considerations to evaluate when accepting a grant from Houston Endowment.

While Houston Endowment is not in a position to provide prospective grantees legal or tax advice, we do want to make sure that you are aware of and understand these important considerations, which are also reflected in the representations contained in your grant agreement.

We encourage you to consult with your legal and tax advisors on these issues prior to signing the grant agreement and accepting a grant from Houston Endowment.

- **Tax Filing Requirements:** If your organization currently files a Form 990-N (postcard filing), the amount of our grant may require you to file a full Form 990. As this is a more involved filing, you will likely need to engage a tax preparer with expertise in nonprofit tax filings to assist.
- **Public Support Test:** Depending on your tax status, your organization might have to meet the “public support test” to maintain public charity status. This is a numerical test that requires that public charities receive at least one-third of their support from the general public and/or governmental sources. Large grants from foundation donors, such as Houston Endowment, could negatively impact your public support test, as these grants do not fully count as public support. We recommend discussing with your tax or legal professionals to understand the impact of our grant on your public support percentage. Below are some resources on the topic:
  - <https://www.ngosource.org/blog/an-introduction-to-public-support-tests>
  - <https://nonprofitlawblog.com/public-support-tests-part-i-509a1/>
  - <https://nonprofitlawblog.com/public-charity-public-support-tests-part-ii-509a2/>
  - <https://www.thetaxadviser.com/newsletters/2016/sep/public-support-for-not-for-profits.html>

*See following pages for Grant Agreement*

## Grant Agreement

October 24, 2025

Dr. W. Myles Shelton  
President  
Galveston College  
4015 Avenue Q  
Galveston, TX 77550

Grant Reference Number: #33955

Dear Dr. W. Myles Shelton,

It is my pleasure to inform you that the Board of Directors of Houston Endowment Inc. (the **"Foundation"**) has authorized a grant of **\$500,000** (the **"Grant"**) to **Galveston College** (the **"Grantee"**) for **Project Support to Maximize House Bill 8 Funding and Student Success: Planning** (the **"Purpose"**) subject to the Grantee's acceptance of the terms and conditions below (the **"Agreement"**). A summary table of this information is provided below:

<b>Grantee</b>	Galveston College
<b>Grantor</b>	Houston Endowment Inc. 3683 Willia Street Houston, Texas 77007
<b>Grant Amount</b>	\$500,000
<b>Type of Grant</b>	Restricted
<b>Reason for Support</b>	Project Support to Maximize House Bill 8 Funding and Student Success: Planning

Please sign the Agreement where indicated to confirm acceptance and return it to us at your earliest convenience via DocuSign. If you have any questions regarding the Grant or the Agreement, please do not hesitate to contact your assigned Foundation team member, August Hamilton. Please include the reference number above in all communications as it will serve as the identification number for this Grant.

- 1. TERM:** This Agreement shall commence on the date of the last signature below (the "Effective Date") and shall expire on November 30, 2026.
- 2. TAX STATUS:** The Grantee represents that (a) it is a tax-exempt organization described in Section 501(c)(3) of the U.S. Internal Revenue Code of 1986, as amended (the **"Code"**) or a governmental unit described in Code Section 170(c), and (b) it is not a "private foundation" as defined in Code Section 509(a) or a Type III supporting organization as described in Code Section 509(a)(3) (other than a "functionally integrated Type III supporting organization," as defined in Code Section 4943(f)(5)(B)). The Grantee will give the Foundation immediate notice of any actual or anticipated change to its tax-exempt status or public charity classification and the



Foundation reserves the right to modify the terms of the Grant or discontinue funding and terminate the Grant in case of any such change.

3. **USE OF GRANT FUNDS:** The Grantee agrees that all Grant funds, including any interest and other income earned thereon, will be used specifically for the Purpose stated above (the "**Project**"). The Grantee may not expend Grant funds for any other purpose without the prior written approval of the Foundation. The Grantee will return to the Foundation any funds not expended or committed for the Purpose in accordance with the terms hereof.
4. **PROHIBITED USES:** The Grantee agrees that no portion of the Grant funds (including interest or income earned thereon) may be used: (a) to participate or intervene in any political campaign on behalf of or in opposition to any candidate for public office or to otherwise influence the outcome of any specific election or to carry on, directly or indirectly, any voter registration drive; (b) to induce or encourage violations of law or public policy; (c) to cause any private inurement or improper private benefit to occur; or (d) to take any other action or use any funds in a manner that is inconsistent with Code Section 501(c)(3) or for any non-charitable purposes.
5. **NO EARMARKING:** The Grantee acknowledges that no Grant funds are designated or earmarked to carry on propaganda or to be used in any attempt to influence legislation within the meaning of the meaning of Code Section 501(h), 4945(d)(1) or 4945(e) and related regulations. No agreement, oral or written, to that effect has been made between the Foundation and the Grantee, even if Grantee's proposal, application, or other correspondence expresses expenditure intentions. The Grantee further acknowledges that there is no agreement, oral or written, whereby the Foundation has designated or earmarked any part of the Grant funds for any specific named organization or individual.
6. **PAYMENT AND REPORTING:** The Foundation processes Grant payments via automatic clearinghouse ("ACH") electronic funds transfers and checks through Chase Cashflow360 and its integration with Bill.com. All electronic Grant payments are processed in accordance with payment instructions entered by Grantee into Foundation's Grants Management Portal (the "Portal"). It is the Grantee's responsibility to ensure that bank account information or mailing address information provided via the Portal is accurate and current. In the event the Grantee does not expressly provide payment instructions to the Foundation, the Foundation will issue a check to the Grantee's payment address on record, if applicable, or the payment address obtained from the Grantee's website. Grantee acknowledges that the Foundation (a) did not create and does not own or control the Portal, (b) merely relies on the payment instructions provided by the Grantee or payment address designated on Grantee's website, and (c) is not responsible for errors or mistakes that result in any delayed or lost Grant payments to Grantee. Grantee hereby releases the Foundation from all claims, liability, losses, and damages relating to the Portal or to Grantee's use thereof.

- (a) Payment: Subject to the terms and conditions set forth in this Agreement, the Grant will be payable in accordance with the schedule set forth below. The Foundation may, in its reasonable discretion, modify payment terms and amounts and shall notify the Grantee of any such changes in writing.

The payment of each installment is contingent upon: (a) the Grantee's satisfactory achievement of the applicable payment contingencies set forth in the table below, as determined by the Foundation in its sole discretion; (b) compliance with the terms of this Agreement, including without limitation timely submission by the Grantee of all forms and

reports set forth herein; and (c) there having been no material changes in the Grantee's operations, staffing, funding, structure, or tax-exempt status that would adversely affect its ability to carry out or accomplish the Purpose. If the Grantee has not satisfied a payment contingency or cannot satisfy a payment contingency, as determined by the Foundation in its sole discretion, the Foundation may cancel, suspend, or discontinue all or any portion of the Grant and/or terminate this Agreement in accordance with Section 11.

Payment Contingency	Due Date of Payment Contingency	Payment Number	Projected Payment Date	Payment Amount
Contract Returned	11/10/2025	1	11/30/2025	\$500,000
Payment Information Form				

- (b) Reporting Deliverables: The Grantee will provide the Foundation with narrative and financial reports, reviewed and approved by an authorized officer of the Grantee, and submitted by a person authorized by Grantee to provide such deliverable(s), in accordance with the schedule set forth below. Such reports must describe the manner in which Grant funds (including any interest or other income) were used, the Grantee's compliance with the terms of this Agreement, and the progress made in accomplishing the Purpose. The Grantee agrees to submit such other reports and information that the Foundation may reasonably request, including the option for the Grantee to provide an oral report, a written report, or both, as specified by the Foundation.

Reporting Deliverables	Reporting Deliverable Due Date	Additional Information
Formative Report	02/28/2026	Grantee shall submit a written report through the Foundation's grants management system, <i>GivingData</i> , providing an update on progress toward final deliverables, key activities, milestones, lessons learned, and any adjustments to the implementation plan.
Draft of Three-Year Implementation Plan	05/01/2026	See <i>Exhibit A</i> for additional information related to this reporting deliverable. Grantee shall develop a draft of an implementation plan to maximize House Bill 8 funding and support student success. The plan will be further refined and detailed through ongoing discussions with Foundation staff during regular check-ins.
Near-Final Draft of Three-Year Implementation Plan	06/01/2026	See <i>Exhibit A</i> for additional information related to this reporting deliverable. Grantee shall develop the near-final draft of an implementation plan to maximize House Bill 8 funding and support student success. The plan will be further refined



		and detailed through ongoing discussions with Foundation staff during regular check-ins.
Summative Report	11/30/2026	Grantee shall submit a written report through the Foundation's grants management system, <i>GivingData</i> , summarizing project outcomes, key results achieved, and lessons learned.
Unspent Funds Form		Grantee shall submit an Unspent Funds Form through the Foundation's grants management system, <i>GivingData</i> , identifying any unexpended grant funds at the end of the grant period.

**7. MONITORING AND EVALUATION:** In addition to the Payment and Reporting Deliverables included in this agreement, the Foundation may engage, or have engaged, an authorized evaluation representative to monitor and conduct one or more evaluations of the Grantee's activities associated with this grant. Such monitoring and evaluation may include, but is not limited to, planning meetings and workshops, interviews, focus groups, surveys, or requests for documentation of relevant data collected by the organization. The Grantee agrees to cooperate with and provide any information reasonably requested by the Foundation or the authorized evaluation representative in connection with the foregoing.

**8. RECORDS/RIGHT TO AUDIT:** The Grantee agrees to maintain, for a period of at least four (4) years after the Grant funds have been fully expended, records of receipts and expenditures of Grant funds and to make its books and records available to the Foundation for inspection at reasonable times.

**9. PUBLICATIONS:**

- (a) Each party may acknowledge the Grant on its website, periodic public reports, press releases or other public materials in a manner consistent with such party's normal communications practices without the prior written approval of the other party.
- (b) The Grantee may not use the Foundation's name or mark (or the name of any Foundation director, officer, or employee) for any other purpose without the prior written approval of the Foundation, which approval may be granted or withheld in the sole discretion of the Foundation. The Grantee will provide to the Foundation with copies of news releases, published materials, or media articles/posts mentioning this Grant that are published by the Grantee, as well as any such third-party materials which come to the Grantee's attention.
- (c) The Foundation may use the Grantee's name, mark and any information, photographs, or other materials in the Foundation's public materials without the prior approval of the Grantee. The Foundation agrees to make a good faith effort to seek consent from the Grantee and/or provide advance notice if the Grantee is featured prominently in such materials.
- (d) The Foundation desires that all resources of the Grantee be dedicated to accomplishing its charitable purposes. Accordingly, the Grantee agrees not to recognize the Foundation, its board members or staff, or the Grant with certificates, plaques, or similar mementos.

**10. USE OF NAME:** The Grantee acknowledges that the name and mark "Houston Endowment Inc." and all variations thereof are the sole and exclusive property of the Foundation, that any and all uses of the Houston Endowment Inc. name by the Grantee shall inure solely to the benefit of the Foundation, and that the Grantee shall not acquire any right, title or interest in Houston Endowment Inc. All uses by the Grantee in any manner shall be subject to inspection by and approval of the Foundation, which approval may be granted or withheld in the sole and absolute discretion of the Foundation if not in accordance with the PUBLICATIONS section herein. The Foundation may require that at any time, the Grantee immediately discontinue and forever thereafter desist from any and all use of "Houston Endowment Inc." and/or either destroy or deliver to the Foundation, at no charge to the Foundation, stationery, brochures, proposed paid media and other similar materials bearing Houston Endowment Inc. that are in the possession or control of the Grantee.

**11. TERMINATION:**

- (a) The Foundation retains the right to modify, suspend, or discontinue any payment or to terminate the Grant and discontinue Grant funding if, in the Foundation's sole discretion:
  - (i) the Foundation is not satisfied with the Grantee's progress,
  - (ii) the Foundation determines that the Grantee is not able to carry out or accomplish the purposes of the Grant or has failed to comply with any term of this Agreement,
  - (iii) the Grantee has not satisfied any payment contingency set forth in Section 6, if applicable,
  - (iv) any representation or warranty made by the Grantee herein becomes untrue.
  - (v) there are significant changes to the Grantee's leadership or management of the Project which the Foundation reasonably believes will result in the Grantee's inability to satisfactorily complete the Project or achieve the Purpose,
  - (vi) there is a change in the Grantee's status as a tax-exempt organization and public charity or governmental unit, as applicable,
  - (vii) the Foundation determines that making a payment may expose the Foundation to liability, adverse tax consequences, or will constitute a taxable expenditure, or
  - (viii) the Foundation becomes aware of actual or alleged acts or omissions by the Grantee (or any of its directors, trustees, officers, employees, volunteers, subgrantees, contractors or agents) which, in the Foundation's sole discretion, could reasonably pose a reputational risk to the Foundation.
- (b) In the event of termination, the Grantee will promptly return any unexpended Grant funds to the Foundation and the Foundation will have no further funding obligation. In addition, upon the request of Foundation, the Grantee will provide to Foundation, at the Grantee's expense, a copy of all data, information and duplicable materials related to the Grant, within thirty (30) days of Foundation's request.
- (c) Notwithstanding anything to the contrary herein, the Foundation may, but is not obligated to, permit the Grantee to retain such amount of the Grant as is necessary to pay obligations that were incurred by the Grantee prior to the date of termination in good faith reliance on this Agreement and that are consistent with the terms of the Grant and the Grant budget provided in the Grantee's application, if applicable, subject to the Grantee providing documentation and/or receipts as required by the Foundation.

**12. NOTICE OF CHANGES:** The Grantee will notify the assigned program officer promptly in writing and no later than fifteen (15) days of any of the following:



- (a) Any change in the Grantee's tax-exempt status;
- (b) The Grantee's inability to expend the Grant funds for the Purpose;
- (c) Any expenditure from Grant funds not made in furtherance of the Purpose;
- (d) Any change in the Grantee's organizational leadership;
- (e) A change in 20 percent or more of the Grantee's board members;
- (f) Any change in address or contact information; or
- (g) Any adverse event which may affect the Grantee's ongoing operations, including but not limited to (i) any threatened or pending litigation, or (ii) any adverse claim with respect to or investigation by a governmental authority into the Grantee's (or any members of its board or organizational leadership) conduct or finances; or
- (h) Any material changes which could affect the Purpose or administration of the Grant.

- 13. COMPLIANCE:** The Grantee represents, warrants, and covenants that it has complied with and will continue to comply with all applicable laws or requirements in connection with the performance of the activities under the Grant. The Grantee represents, warrants, and covenants that (a) the Grantee will act in accordance with (and Grant funds will be used in compliance with) all applicable anti-terrorist financing and asset control laws, regulations, rules, and executive orders, including but not limited to the USA Patriot Act of 2001 and Executive Order No. 13224, and (b) the Grantee will act in accordance with all applicable anti-discrimination laws and regulations and will not (and will not use Grant funds to) discriminate, select, or exclude any individual from any employment or services based on such individual's race, gender, or other protected characteristics.
- 14. AMENDMENT:** This Agreement may not be modified or amended except by written agreement executed by both parties. Notwithstanding the foregoing, the Grantee may request a change to either of Sections 1, 6, or 9 of this Agreement in writing (including by email), and if the Foundation provides approval of such change in writing (including by email), such writings taken together shall constitute an amendment to this Agreement.
- 15. CONFIDENTIALITY:** In connection with the Grant, the Grantee may receive or have access to confidential information about the Foundation that is not available in the public domain, including but not limited to information relating to the Foundation's finances, operations, or other grantees (the "**Confidential Information**"). The Grantee will not use or disclose any Confidential Information unless such Confidential Information ceases to be confidential (through no act or omission of the Grantee) because it has become part of the public domain. If the Grantee is required by law to disclose any Confidential Information, the Grantee agrees to give the Foundation reasonable advance notice of such disclosure if legally permitted to do so.
- 16. NO ASSIGNMENT:** The Grantee may not assign or otherwise transfer its rights or delegate any of its obligations under this Agreement without prior written approval of the Foundation.
- 17. NO FURTHER COMMITMENT FOR FUNDING:** The Grantee acknowledges that the receipt of this Grant does not imply a commitment on behalf of the Foundation to continue funding beyond the terms listed in this Agreement. While this Grant is intended to support planning activities and the development of an implementation plan, any potential future implementation grant, including decisions regarding approval, amount, duration, and scope of funding, shall be subject to the sole discretion and approval of the Foundation. Future grant amounts, grant terms, and funded activities shall be determined by the Foundation based upon its assessment of the

implementation plan and alignment with its strategic priorities including those intended to increase the number of students projected to earn Credentials of Value.

**18. GOVERNING LAW:** This Agreement is governed by the laws of the State of Texas without regard to the conflict of law's provisions thereof, regardless of the place of execution or performance. Any legal proceeding brought in connection with disputes relating to or arising out of this Agreement must be filed and heard in Harris County, Texas, and each party waives any objection that it might raise to venue as inconvenient.

**19. DISPUTE RESOLUTION:**

(a) In the event of any dispute, claim, question, or disagreement arising from or relating to this Agreement or the breach thereof, the parties will use their best efforts to settle the dispute, claim, question, or disagreement. To this effect, they will consult and negotiate with each other in good faith and, recognizing their mutual interests, attempt to reach a just and equitable solution satisfactory to both parties.

(b) If the dispute cannot be settled through negotiation, the parties agree first to try in good faith to settle the dispute by mediation administered by the American Arbitration Association (AAA) before resorting to arbitration, litigation, or some other dispute resolution procedure. The AAA will choose a mediator within seven (7) days from referral of the matter to AAA and payment of AAA fees. The mediator must be an experienced practicing attorney who has no conflicts of interest. All expenses will be divided equally between the parties. Mediation must be conducted within thirty (30) days after appointment of the mediator and is to be completed over no more than two business days, unless otherwise mutually agreed upon. All procedures will be set by the mediator. The results of mediation are non-binding, advisory, and confidential, and the mediator's recommendations, as well as the written or oral evidence produced from mediation, will not be admissible for any purpose for or against the parties in any later alternative dispute resolution, administrative or legal proceeding.

**20. INDEMNIFICATION:** To the extent permitted by applicable law, the Grantee shall defend, indemnify, and hold the Foundation and its directors, officers, employees, and agents (each an "Indemnified Party") harmless from and against any and all liabilities, damages, losses, fines, penalties and expenses (including reasonable attorneys' fees) arising from third party claims based on the acts or omissions of the Grantee and its directors, officers, employees, affiliates and agents relating to the Grant or a breach by the Grantee of any term of this Agreement. If any such claim is brought against an Indemnified Party, the Foundation will provide written notice of such claim to the Grantee and will cooperate with the Grantee in the handling of such claim, provided that the Foundation will be entitled to select the primary legal counsel to be used in the handling of such claim and provided further that the Grantee may not enter into a settlement that involves an Indemnified Party in any way without the prior written consent of the Foundation.

**21. NO WAIVER; NO PARTNERSHIP:** Failure of the Foundation to exercise any rights in this Agreement does not waive any right in this Agreement by the Foundation. Nothing in this Agreement creates or may be deemed to create a partnership, joint venture, or relationship of principal and agent or of employer and employee between the parties.

**22. SURVIVAL:** Any provisions of this Agreement that by their nature extend beyond termination will remain in effect in accordance with their terms. Without limitation, the following sections



will survive expiration or termination of the Agreement: 8 (Records), 9 (Publications), 10 (Use of Name), 15 (Confidentiality) and 20 (Indemnification).

**23. HEADINGS:** The section headings in this Agreement are for convenience only and are not intended, and may not be construed, to alter, limit or enlarge in any way the scope or meaning of the language contained in this Agreement.

**24. ENTIRE AGREEMENT:** This Agreement represents the entire agreement between the Grantee and the Foundation with respect to the subject matter herein and supersedes any and all prior agreements, understandings, negotiations, representations and discussions with respect thereto. This Agreement may be executed in two or more counterparts, each of which will be deemed an original, but all of which together constitute one and the same instrument.

**25. DUE AUTHORITY:** The person signing this Agreement on behalf of the Grantee represents and warrants to the Foundation that s/he is a duly authorized officer of the Grantee and has requisite legal power and authority to execute this Agreement on behalf of the Grantee and bind the Grantee to the obligations herein.

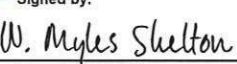
Very truly yours,

**HOUSTON ENDOWMENT INC.**

By:   
Ann B. Stern  
President and CEO

**ACCEPTED AND AGREED:**

**GALVESTON COLLEGE**

Signed by:  
By:   
9E706930709C481... Acceptance Date: 10/27/2025 | 8:35 AM EDT  
Name: W. Myles Shelton Title: President

## **EXHIBIT A: IMPLEMENTATION PLAN REPORTING DELIVERABLES**

### **Reporting Deliverables and Due Dates**

1. First Draft of Three-Year Implementation Plan: May 1, 2026
2. Near-Final Draft of Three-Year Implementation Plan: June 1, 2026

### **Reporting Deliverable Information**

The following information outlines the components that should be included as you develop a three-year implementation plan to maximize House Bill 8 funding and support student success. Houston Endowment will provide more detailed information during your check-ins with your assigned program officer.

Use this document to guide your institution's data analysis, stakeholder engagement, and capacity-building efforts as you develop a comprehensive implementation plan.

#### **1. Problem Statement**

Define the core problem the grant will address that most directly affects students' ability to complete programs and earn Credentials of Value (CoVs). Ground the problem statement in institutional and student data that highlight barriers and outcome trends.

#### **2. Strategic Approach Overview**

Provide a concise overview summarizing your institution's proposed approach for improving postsecondary outcomes, specifically describing how your strategy addresses the key barriers or challenges outlined in your problem statement and aligns with Houston Endowment's Postsecondary Success Strategic Framework.

Describe how your proposed strategy will strengthen at least one of the following areas:

- Academic supports that improve student progression and completion,
- Non-academic supports that reduce barriers to persistence, or
- Programs leading to Credentials of Value (CoVs) in high-demand fields.

Define the primary measurable goal(s) your institution seeks to achieve through this approach, including annual goals or milestones for each year of the three-year implementation plan. Explain how progress toward these goals will increase credential completion and lead to good jobs and economic mobility for students.

#### **3. Data Collection and Baseline Assessment**

Collect and submit baseline institutional data to inform planning and strategy development. This will include data on program inventory and labor-market alignment, student outcomes, and student support utilization. Institutions will use common templates to ensure consistent reporting and comparability across colleges. Data will be submitted on an annual



basis, with the planning year serving as the baseline for measuring progress.

**4. Planning Milestones and Timeline**

Provide a high-level roadmap for the planning period that outlines key milestones, deliverables, and engagement activities (e.g., stakeholder input, data analysis, partnership development). The plan should support the creation of a comprehensive implementation roadmap for a three-year grant period.

**5. Staffing and Capacity Plan**

Identify the institutional leads, data contact(s), and core team responsible for guiding the planning work. Outline any capacity-building activities or technical assistance needs that will support readiness for implementation.

**6. Budget and Sustainability Framework**

Provide a high-level, three-year budget framework that aligns proposed investments with expected outcomes and sustainability strategies. Include a narrative describing how resources will be deployed to advance the plans goals and sustain progress beyond the grant period.